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NC POLICY WATCH

Stories & voices
that **matter.**

Coal ash debate takes center stage as Duke rate hike cases get underway

By [Lisa Sorg](#)

[Editor's note: The North Carolina Justice Center (parent organization of NC Policy Watch) is one of several nonprofit intervenors represented in the Duke Energy Progress rate case by the Southern Environmental Law Center. As a journalism outlet, NC Policy Watch isn't involved in these proceedings beyond its newsgathering and commentary responsibilities.]

The Dobbs Building hearing room was so stuffed with dark suits and shiny calfskin shoes that it resembled a Brooks Brothers warehouse.

"Are there any North Carolina lawyers who aren't here?" asked Ed Finley, chairman of the NC Utilities Commission, as he prepared to preside over what is predicted to be a two-week slog: the Duke Energy Progress rate case.

Duke Energy Progress (DEP), whose service territory includes 170,000 miles of transmission lines in North Carolina is asking the commission to approve a nine percent overall rate hike, which includes an 11.7 percent increase for residential customers. The service area includes the cities of Asheville, Raleigh and Wilmington.

That increase equates to about \$13 on a typical household electric bill. The additional revenue, DEP says, would pay for, among other investments, solar energy projects, new natural gas plants, and technology to help customers manage their energy usage.

However, what makes this rate case hearing more contentious than usual — rarely does any increase go unchallenged — is that DEP wants to shift the \$200 million burden of cleaning up its coal ash sites from the company and its shareholders to its customers. It's possible that amount could include the cost of providing bottled water to private well owners affected by groundwater contamination from leaking coal ash impoundments.

The commission's public staff, which represents the ratepayers, and a battalion of intervenors in the case adamantly oppose the proposal. Even, however, after the public staff relented, agreeing in closed-door negotiations that customers could split the cost with the utility, DEP refused to budge.

Duke officials claim a change in environmental laws triggered the utility's request for coal ash-related cost recovery. In 2014, the EPA adopted its Coal Combustion Rule, which served as a template for the state's Coal Ash Management Act (CAMA). (Note: In response to an industry request, the EPA is reconsidering portions of

the federal rule.)

Roughly \$19 million of DEP's request is related to complying with state CAMA rules. Those regulations and subsequent legislation govern the disposal of coal ash, basin closure plans, reporting, recordkeeping, groundwater assessment and the provision of alternative water supplies to affected households. Some homes in Duke Energy Carolinas territory have been receiving bottled water for more than 925 days.

Duke could argue that since providing bottled water or other alternative sources, such as filtration systems, is part of "environmental compliance," the utility should be able to recover those costs. [[Read more...](#)]

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